

FBI

Date: 7-11-64

AIRTEL

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via \_\_\_\_\_  
AIR MAIL  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, MILWAUKEE (P)

SUBJECT:

[REDACTED]  
ITAR - GAMBLING  
MI file 166-78

WILLIAM COVELLI  
ITAR - GAMBLING  
MI file 166-80

JOHN RIZZO  
ITAR - GAMBLING  
MI file 166-79

captioned [REDACTED] Re Bureau airtel to Milwaukee 6/29/64,

During the week of July 6, 1964 surveillances were carried out on the three subjects as requested in the referenced airtel from the Bureau.

On 7/6/64 JOHN RIZZO was surveilled from his residence into Illinois but there is no evidence that he went to the Chicago race track on that date. During the rest of the week, up

③ - Bureau (AM)

3 - Milwaukee (1 - 166-78)  
(1 - 166-80)

GSB:cef  
(6)

C. C. Wick

REC-51 MCT-1

ST-117

150 JUL 14 1964

13 JUL 13 1964

1208-1  
ORIGINAL FILED IN 166-3

151  
Approved: \_\_\_\_\_

Special Agent in Charge

Sent \_\_\_\_\_

M \_\_\_\_\_ Per \_\_\_\_\_

F B I

Date:

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via \_\_\_\_\_  
(Priority or Method of Mailing)

MI 166-78

to 7/10/64, nothing of value was obtained from the surveillance and [ ] will be requested to obtain additional information in order to make future surveillances more productive.

b7D

-2-

Approved: \_\_\_\_\_ Sent: \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

FBI

Date: 7/31/64

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via AIRTEL AIR MAIL  
(Priority or Method of Mailing)

To: DIRECTOR, FBI [redacted] b7D

From: SAC, MILWAUKEE (P) *W9*

Subject: [redacted] b6  
b7C

ITAR - GAMBLING  
MI File 166-78

WILLIAM COVELLI  
ITAR - GAMBLING  
MI File 166-80

JOHN RIZZO  
ITAR - GAMBLING  
MI File 166-79

OO: Milwaukee

*166-1210-*  
NOT RECORDED  
183 AUG 4 1964

Re Bureau airtel to Milwaukee and Chicago, 6/29/64, captioned [redacted] "instructing that a weekly summary airtel be submitted to the Bureau regarding pertinent developments in the three captioned cases. b7D

Milwaukee airtel to the Bureau and Chicago, 7/24/64, captioned as above, contains information based upon data in Chicago airtel to Milwaukee, 7/17/64, in the Chicago case entitled "JOHN RIZZO, ITAR - GAMBLING," (CG File 162-277), which refers to the driver of an Oldsmobile, Wisconsin License [redacted] as Subject JOHN RIZZO; however, RIZZO is the operator of a Lincoln Continental, 1964 Wisconsin License N42-766, and RIZZO was tentatively identified in this car and being at b6  
b7C

3 - Bureau [redacted] (AM-RM)  
1 - Chicago (162-277) (RM)  
3 - Milwaukee (166-78)(166-79)(166-80)  
CNR:jb  
(7)

*16* AUG 3 1964 b7D

Approved: *[Signature]*

Special Agent in Charge

Sent \_\_\_\_\_ M Per *[Signature]*

67 AUG 11 1964

ORIGINAL FILED IN 166-1208-2

F B I

Date:

Transmit the following in \_\_\_\_\_  
(Type in plain text or code)Via \_\_\_\_\_  
(Priority or Method of Mailing)

MI 166-78

Arlington Race Track, Chicago Heights, Illinois, on 7/10/64. Chicago should advise the Bureau and Milwaukee of clarifying data as to whether that information pertains to JOHN RIZZO or the unidentified driver of the Oldsmobile.

Chicago also advise as to whether there is any possibility of identifying the white male, age late 50's, about 5'8", medium build, gray hair, medium complexion, wearing sunglasses and sport clothes, who is mentioned in referenced airtel to the Bureau and Chicago.

WEEKLY AIRTEL

No surveillances of Subjects conducted by Milwaukee during current week (7/19-31/64) pending advice from [redacted] re- b7D  
garding [redacted]  
[redacted]

On 7/31/64 [redacted] advised SA JOHN H. GASSAWAY that [redacted]  
[redacted] and at that time informant will obtain details and identities, if possible, of individuals involved in alleged on-track betting operation. Under the circumstances the Milwaukee Division considers it inadvisable to surveil informant and any other individuals [redacted]  
[redacted] Milwaukee will not conduct such surveillance UACB.

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Based upon results of [redacted]  
[redacted] Milwaukee and Chicago will thereafter reinstitute any logical surveillances to develop possible ITAR - gambling violation. b7D

- 2 -

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

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Date:

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Via \_\_\_\_\_  
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MI 166-78

UACB, Milwaukee will discontinue weekly summary airtel pending further developments.

- 3 -

Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

F B I

Date: 7/24/64

Transmit the following in AIRTEL  
(Type in plain text or code)Via AIR MAIL  
(Priority or Method of Mailing)

TO: DIRECTOR, FBI [redacted] *edf 9*

FROM: SAC, MILWAUKEE (P)

SUBJECT: [redacted]

ITAR - GAMBLING  
MI File 166-78

WILLIAM COVELLI  
ITAR - GAMBLING  
MI File 166-80

JOHN RIZZO  
ITAR - GAMBLING  
MI File 166-79

CONF. INFI. [redacted] Re Bureau airtel to Milwaukee 6/29/64  
captioned [redacted]

Milwaukee airtel to Bureau 7/11/64.  
Milwaukee airtel to Chicago 7/13/64.  
Milwaukee airtel to Bureau 7/17/64.  
Chicago airtel to Milwaukee 7/17/64.

In referenced airtel from Chicago dated 7/17/64, Chicago advised as follows:

On 7/10/64, Chicago Agents observed 1963 dark green Lincoln Continental bearing 1964 Wisconsin License plates N42-766 (blue and white) which number is registered to the subject entered Gate 9, Arlington Race Track, Arlington Heights, Illinois. This car was followed by a late model 1961 or 1962 Oldsmobile bearing 1964 Wisconsin License Number

3 - Bureau [redacted] (AM) *166-1210*  
1 - Chicago (162-277) (Regular Mail) **NOT RECORDED**  
3 - Milwaukee (1 - 166-78) (1 - 166-79) *64-286980*  
GSB:cef

Approved: *[Signature]*Sent \_\_\_\_\_ M Per *[Signature]*

69 JUL 31 1964

Special Agent in Charge

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[ ] with three white male passengers. These vehicles parked in the northwest preferred parking section of the race track and the occupants were observed to enter the club house area. Prior to entering the club house area the driver of the Lincoln, tentatively identified from photographs as subject RIZZO, conversed with the three occupants of the Oldsmobile, however, once entering race track proper they did not again meet while under observation. The driver of the Oldsmobile hereinafter referred to as the subject (JOHN RIZZO), was observed to make several bets at the daily double window prior to the running of the first race. In addition he was observed to make bets at the \$50/\$100 window immediately prior to each of the first three races. During the interim he observed each race from Box C148 in the club house. During the time the subject was under observation he was observed to speak to only three white males each separately none of which were known to Chicago Agents. Between running of second and third race subject was observed to converse briefly on the third floor of the club house in front of the \$2.00 window with a white male, late 50s, possibly 5'8" tall, medium build, gray hair, medium complexion, wearing glasses, and sport clothes, who was seated with his back to the stair-well leading to the second floor. This person was observed to point to the names of various horses appearing on his racing program which was to run in the remaining races that day. The subject was observed to write numbers down on the face of his program each time the unknown male pointed. After the unknown male pointed to the last race the subject handed him what appeared to be two \$10.00 bills. They then separated and the unknown male proceeded to the \$2.00 window where he appeared to make some bets. Surveillance was discontinued at 5:06 P.M., when subject did not return to Box C148.

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Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
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Subject was observed during first four races on Arlington Track, Monday, July 13, 1964, at which time he visited the \$50/\$100 window on the second floor of the club house. He again occupied Box 148 during each race. On only one occasion did he visit the \$50.00 window after racing. This was immediately after the first race. He was observed to do nothing which suggested that he was actively booking at the track.

On Tuesday, July 14, 1964 spot checks were made during the first four races at Arlington Track at which time the subject was not observed nor was his car located in any of the parking lots.

[redacted] advised 7/16/64, that he has received no information indicating booking activity at Arlington Race Track by anyone other than a group of men working on the first floor all of whom he believed to be from Illinois. He stated that as a result of increased vigilance [redacted] race track officials and local and Federal authorities with on track bookmaking is "down" considerably from what it had been in years past.

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[redacted] further advised that it is his personal belief [redacted] that if any bookmaking activity is going on at the track it is done largely on a credit and "know your customer" basis. He stated that [redacted] no information in the current Illinois racing season which would indicate that money is actually exchanging hands at the track. It is his belief that a better desiring to place a bet with a non-track bookie whom he knows will approach him and perhaps indicate to him in some manner his choice and that they may have only one

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Approved: \_\_\_\_\_ Sent: \_\_\_\_\_ M Per \_\_\_\_\_  
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(Priority or Method of Mailing)b6  
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MI

contact during the racing day. Any settlement will be made later and not at the track. [ ] said this, the foregoing, is only supposition on his part and he does not know this to be a fact.

No Chicago informant has provided any positive information indicating extensive on track bookmaking at the current Arlington meeting.

On 7/20/64 [ ] advised that JOHN RIZZO definitely went to the Arlington Race Track Monday and Tuesday, July 6 and 7, 1964. He knows this because [ ]

[ ] were at the track on Monday, 7/6/64 and observed RIZZO there and further stated that he made a lot of money on two fixed horse races. [ ] advised that [ ] did not go to the track during week of 7/6/64 because he was busy in Milwaukee operating his own book, which he and SAM CEFALU operate on the side. He further stated that the bookies carry on their business at Arlington Race Track on the first landing of the second floor of the club house since it is glass enclosed and is the closest point to the finish line that you can get to, which you can get. The bookies hang around the ready room before races and pick up their bets and keep a record of their bets on the track sheets and tout sheets which they usually have in their hands. The betting is done on a credit basis but occasionally the bookies will take money from an individual when a bet is placed and pay off after the race. Informant stated that he understands that the booking at the track is actually controlled by ROCCO FISCHETTI, and that many of the Milwaukee bookies go through "MILWAUKEE PHIL" ALDERISIO to get clearance. He further stated that the track officials have security guards in the club house and other

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MI

places to watch out for any bookies operating there but that two of these guards, who police the area in the club house, are both on the payroll of the bookies and consequently pay no attention to their activities. He further said in regards to the parking of the bookies' cars at the track, the bookies enter the main parking entrance, pay fifty cents to the man and display in their hand a package of Pall Mall or Lucky Strike cigarettes. They are then permitted to drive up to the entrance to the track and they give the man there a dollar and he parks the car for them in a reserved section there, not in the regular parking lot. The informant stated he would try to arrange in the next ten days to go to the track with [redacted] or one of the other bookies and would advise when this had been arranged. b6 b7C

On 7/22/64 SA [redacted] conducted a spot check of JOHN RIZZO's residence, 1908 Emertson Road, Racine County, Wisconsin, and observed a 2-door hardtop Ford Fairlane white and green, bearing 1964 Indiana license [redacted] b6 b7C. He observed a heavy set dark haired man, 39-40 years of age, white, sitting on the edge of the front seat. For the period covering 7/18/64 through 7/24/64 no active surveillance was carried out on the three subjects.

Surveillances will be reinstituted as soon as [redacted] can [redacted] b6 b7C b7D

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Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge

FBI

Date: 7/17/64

Transmit the following in AIRTEL  
(Type in plain text or code)Via AIR MAIL  
(Priority or Method of Mailing)

TO : DIRECTOR, FBI [REDACTED]  
 FROM : SAC, MILWAUKEE (P)  
 SUBJECT: [REDACTED]

b7D

ITAR - GAMBLING  
 MI File 166-78

b6  
 b7C

WILLIAM COVELLI  
 ITAR - GAMBLING  
 MI File 166-80

JOHN RIZZO  
 ITAR - GAMBLING  
 MI File 166-79

CONF. INFT. Re Bureau airtel to Milwaukee, 6/29/64, captioned, [REDACTED] Milwaukee airtel to Bureau, 7/11/64; and Milwaukee airtel to Chicago, 7/13/64.

b7D

On 7/10/64 JOHN RIZZO was observed by Bureau Agents at approximately 2 PM entering Interstate Highway 94 at its intersection in Racine County with Highway Trunk C. RIZZO was driving his personal automobile, a 1963 dark green Lincoln Continental, 1964 Wisconsin license N42766. At approximately 2:15 PM, he was observed passing the toll barrier at what is called the Waukegan Plaza, the first toll stop on the Illinois tollway, by Milwaukee Agents. He was then followed by Chicago Agents to Arlington Race Track and thereafter until the arrival of the Milwaukee Agents. Chicago Agents did not see him do any booking but he did enter the room where large bets are placed and he remained there several minutes prior to race time. He was

3-Bureau [REDACTED] (AM)  
 1-Chicago (Regular Mail)  
 3-Milwaukee (1-166-78) (1-166-79)  
 (1-166-80)

GSB:sbt  
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C C Wick

166-1210-

NOT RECORDED  
 162 JUL 21 1964

17 JUL 18 1964

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ORIGINAL COPY FILED IN

74 JUL 23 1964

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Special Agent in Charge

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observed by the Milwaukee Agents at approximately 4 PM at the race track. Bureau Agents from Chicago and Milwaukee observed RIZZO seated in the club house area alone with his back to the wall, facing away from the track. Shortly before the second race, he moved away from the direction of the Bureau Agents. During the time of surveillance at the track, RIZZO was seen to talk to several people, but no booking operations were evidenced.

Chicago has advised that booking operations at the tracks are generally handled under the guise of casual conversations with no money changing hands. Bets are made and accepted through conversation.

For the period covering 7/13-17/64, the surveillance on the 3 subjects was discontinued so that contact could be made with [ ] to gather additional information concerning the method of booking at the tracks and the frequency of trips to the tracks in order to determine the best method for handling the surveillance in the future.

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Approved: \_\_\_\_\_ Sent \_\_\_\_\_ M Per \_\_\_\_\_  
Special Agent in Charge